

**NOTICE FOR CALIFORNIA-REGISTERED INVESTMENT ADVISERS  
MANDATORY PARTICIPATION IN INVESTMENT ADVISER REGISTRATION  
DEPOSITORY ("IARD")**

On January 1, 2005, legislation becomes effective to require all investment adviser and investment adviser representative applications and related materials and fees to be filed electronically with the investment Adviser Registration Depository ("IARD") operated by the National Association of Securities Dealers ("NASD").

**TRANSITION SCHEDULE FOR IARD**

To facilitate the transition to IARD for California-registered investment advisers and their representatives, we are providing the following transition schedule in which you should file electronically with IARD Form ADV for the investment adviser and Form U-4 for the investment adviser representatives. The following IARD transition schedule is based upon the zip code of your principal place of business.

If your zip code is:

- 90000 through 93599, you should transition during May 2005
- 93600 through 96199, you should transition during June 2005
- All other zip codes (within and outside the state) should transition during July 2005.

Our goal is to have all California-registered investment advisers transitioned onto the IARD on or before July 31, 2005. If you do not intend to transition to IARD, you may surrender your investment adviser certificate by filing Form ADV-W directly with your respective Department of Corporations Office of Supervisory Jurisdiction in Los Angeles, San Francisco or Sacramento. If you have not transitioned to IARD by the date specified above or filed Form ADV-W by July 31, 2005, your investment adviser certificate may be summarily revoked. If your certificate is summarily revoked, the revocation will be entered into your Central Registration Depository ("CRD") records. The revocation will result in a disciplinary action against the company that must be disclosed on Form ADV and Form U-4.

**PROCEDURE FOR TRANSITIONING TO IARD**

To transition to IARD, you need to obtain the [State Registrant Entitlement Packet](#) from the IARD web site at <http://www.iard.com/>. By completing the Entitlement Forms and returning the forms to IARD, you are requesting the [NASD](#) to entitle you to access IARD and the Central Registration Depository ("CRD") system for electronic filing. Firm filings are made with IARD whereas individual (investment adviser representative) filings are made with CRD.

Once the [NASD](#) receives the [Entitlement Forms](#), they will establish your IARD User Account and you will be able to access and use the IARD and CRD systems. The NASD will charge the firm an initial set-up fee of \$150 and an annual fee of \$100. The NASD will also charge for each investment adviser representative ("IAR") an initial set-up fee, transfer fee and annual fee of \$45 each. These fees are paid directly to the NASD through IARD and will be used to support the maintenance and operation of the system. No part of these fees support state licensing or regulatory programs. Additional information on the IARD system may be found on the IARD web site. If you have any questions concerning IARD, you may also contact the IARD help line at (240) 386-4848.

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**1. FORM ADV**

Once you obtain access to IARD you should transition your California registration status and complete Form ADV (Part 1A and Part 1B) on IARD. When transitioning your California registration status, please make sure that you select "Submit Transition Registrations" in the New Filing section on the IARD Form Filing Screen. If not selected, you will be charged a fee of \$125 by IARD.

Any amendments to Parts 1A or 1B of Form ADV should be filed directly with IARD. Part 2 of Form ADV is to be filed directly with the California Corporations Commissioner ("Commissioner") until the form can be filed with IARD. Forms filed directly with the Commissioner should be mailed to your respective Department of Corporations Office of Supervisory Jurisdiction in Los Angeles, San Francisco or Sacramento. Important Note: Once on IARD, there is no State or IARD fee to transition your registration status or to file any amendments to Form ADV with IARD.

**2. FORM U-4**

Each individual currently reported as an associated person or investment adviser representative ("IAR") should also be transitioned to CRD. When completing your entitlement forms make sure the "[CRD Participant Account Administrator Entitlement Form \(CRD Participant AAEF\)](#)" form is completed and returned to IARD. Once you obtain access to CRD, you should transition each individual's IAR status and complete Form U-4 on CRD. Any amendments to Form U-4 should be filed directly with CRD. Instructions for filing Form U-4 on CRD may be found in the IARD firm user's manual, a copy of which may be found on the IARD web site at [http://www.iard.com/firm\\_users\\_man.asp](http://www.iard.com/firm_users_man.asp). There is no fee to transition an individual to CRD. Any new IAR should be reported as prescribed in California Code of Regulations, 10 CCR Section 260.236.1(a).

**3. ANNUAL RENEWAL FEE**

For calendar year 2006 and thereafter, the annual renewal fee of \$125 must be paid through IARD. You will be assessed this fee and the IARD annual fees (system processing fees for the firm and each investment adviser representative) during the Annual Renewal Program, which begins November 1st of each year. Please keep in mind that the renewal statement will only be available electronically through IARD and not mailed directly to you. Also all fees are to be paid directly to IARD. Note: The State annual renewal fee does not apply if you are also licensed as a broker-dealer under Corporations Code Section 25210. There is no State annual renewal fee for IARs.

For detailed information on the transition process, you may want to visit the [North American Securities Administrators Association](http://www.nasaa.org/nasaa/invadvisor/powerpoint.asp) ("NASAA") web site. On this web site at <http://www.nasaa.org/nasaa/invadvisor/powerpoint.asp>, you may view two Power Point Presentations (in PDF) that explain the transition process for the firm ("[Transition Process for IA Firms](#)") and investment adviser representatives ("[Transition Process for IA Representatives](#)").

Any questions and inquiries may be directed to our Consumer Services Office at 1-866-ASK-CORP (1-866-275-2677).